

What to consider when shopping for a mortgage



(NC) Even when interest rates are steady, many homeowners refinance their mortgages. In some cases, an existing mortgage is coming to an end and borrowers need to renegotiate. Other reasons for refinancing include funding renovations, paying for a child's education, or buying a second property.

Too often, homeowners enter mortgage negotiations without legal advice and without understanding the deal or its implications. Getting professional advice when refinancing can help you save money and protect your interests. Here are some key things to consider:

- 1. Lender choice:** Look around for the lender with better terms or a lower interest rate – they are negotiable.
- 2. Legal advice:** Never sign mortgage documents without fully understanding the terms they contain. A real estate lawyer can protect your interests by explaining your obligations under the mortgage. They can also explain what the lender can do if you fail to make mortgage payments on time. Finally, a lawyer can review the documents registered on the title for the home to check for unexpected liens or fraudulent transactions.
- 3. Pre-payment penalties:** When refinancing, it's important to fully understand the implications of any pre-payment penalties that may be triggered. If you sell before the mortgage due date, will there be a pre-payment penalty? Can the mortgage be transported free of charge to a future home? A lawyer can explain all the pros and cons before you commit to new mortgage terms.
- 4. Protecting your investment:** Refinancing is a great opportunity to protect yourself from exposure to fraud and other risks. If you don't already have title insurance, this is the time to arrange a policy. Title insurance can provide solid protection, in case the property is targeted for mortgage fraud.

A real estate lawyer can help you achieve your refinancing goals. Visit titleplus.ca to use the locate a lawyer tool.

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